

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:2834
ANSWERED ON:14.03.2011
UNCTAD REPORT ON INVESTMENT
Deo Shri Kalikesh Narayan Singh

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether India was listed as an underperforming country in the UNCTAD investment climate report;
- (b) if so, the details thereof;
- (c) the response of the Government in this regard; and
- (d) the steps being taken to increase investments in the country?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF COMMERCE & INDUSTRY (SHRI JYOTIRADITYA M. SCINDIA)

(a) & (b): India is projected to become the second most attractive destination for FDI in 2010-12, as per UNCTAD's World Investment Report, 2010. The projection made in the report is based on the survey conducted among Trans National Corporations (TNCs).

(c) & (d): Government has put in place an investor-friendly policy on FDI, under which FDI, up to 100%, is permitted on the automatic route, in most sectors/activities. This policy is reviewed, on an ongoing basis, through a consultative process and significant changes have been made in the policy regime, in recent times, to ensure that India remains increasingly attractive and investor-friendly. The FDI policy is now available in the form of a consolidated document, as Circular 2 of 2010, effective 1 October, 2010, issued by Department of Industrial Policy and Promotion. The circular is available in the public domain and can be accessed at the website of the Department of Industrial Policy & Promotion (<http://dipp.nic.in>).

The Government plays an active role in investment promotion, through dissemination of information on the investment climate and opportunities in India and by advising prospective investors about investment policies and procedures and opportunities. A number of joint commissions and joint working groups have been set up to promote industrial, technical and scientific cooperation with select countries. The Government has also set up CEOs' /Business Leaders' Fora with some countries, for active business-to-business cooperation and for developing a road map for partnership and industrial cooperation. It also coordinates with apex industry associations in their activities relating to promotion of industrial cooperation, intended to stimulate flow of foreign direct investment into India.